Private investment in agriculture and agro-based industries

2651. SHRI JANARDHANA POOJARY: Will the PRIME MINISTER be pleased to state:

(a) whether Government are aware that there has been a steady decline in investment in agriculture and agro-based industries in the country;

(b) if so, what was the investment in the years 1996, 1997, 1998 and so far in the year 1999, the reasons for decline;

(c) whether Government propose to take steps to attract private investment in agriculture and agro-based industries to generate employment in rural areas which may also check migration to cities; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL): (a) and (b) Whereas there has been an increasing trend in the overall capital investment at current prices, public sector investment at 1993-94 prices has declined which is attributed to diversion of resources from investment to current expenditure in the form of subsidies. The details are set out in the Statement. (*See* below)

The total investment in the processed food sector as per the available information was Rs. 8364 crore in 1996-97 and Rs. 7263 crore in 1997-98.

(c) and (d) The Government has recognised the importance of investment in agriculture and agro-based industries for increasing agricultural growth during the Ninth Plan. It envisages increasing private investment especially in minor irrigation, seed industry, khadi and village industries, sericulture, food processing industries etc. to generate higher employment in rural areas.

Statement

Gross capital formation in agriculture

(Rs. Crores)

Year	Agriculture Total		Agriculture Private		Agriculture Public	
	At current prices	At 1993-94 Prices	At current prices	At 1993-94 Prices	At current prices	At 1993-94 Prices
1	2	3	4	5	6	7
1995-96	23942	19944	17954	15168	5988	4776
1996-97	26296	19902	20184	15555	6112	4347
1997-98*	29700	20995	22767	16579	6933	4416

*Quick Estimates